Restoring Financial Health of Railways*

L. N. Mishra

I am grateful to the Hon'ble Members who have participated in the debate and offered a number of valuable suggestions—action points. As many as 53 Hon'ble Members have spoken and it is a matter of some satisfaction to me that a very large number of the Members—over 32—have voiced their support for this year's Railway Budget.

The entire debate, if I may say so, has been on constructive lines and I can assure the House that each one of the suggestions will be examined in detail and processed for further speedy action.

Assuming that the Railway working which has been beset with unprecedented difficulties referred to in my Budget speech will improve in the next year, we hope to carry additional 25 million tonnes in freight traffic and 3% more passenger traffic in 1974-75. Even after allowing for better performance, it was found that on the existing level of fares and freights, the deficit of Rs. 99.75 crores in the current year will go up to Rs. 189.17 crores. The Railways could either transfer this shortfall to General Finances or exert themselves to set their house in order. The first choice would have increased the deficit financing of the General Exchequer and add to inflationary pressure on prices which, it is the Government's avowed policy to contain and curb.

Hon'ble Members will agree with me that the financial health of the Railways has to be restored not only in the interest of this premier Public Sector undertaking but also for the sake of the general economy.

In framing the proposals, two objectives have been borne in mind: adjustments in fares and freights have been formulated on a selective and rational basis so that the resultant structure is more in alignment with the

*Speech in reply to the general discussion on the Railway Budget in the Lok Sabha on March 13, 1973.

rising costs of operation and corrects the distortions in the economics of long distance haulage.

Secondly, in line with the socialistic concept, which is our declared goal, weaker and vulnerable sections of society should be protected.

It is in this context that foodgrains will continue to be carried at concessional below-the-cost rates. The Railways will suffer a loss of nearly Rs. 48 crores on this account in the coming year.

On the same grounds, commuters holding season-tickets have been exempted from increase in fares. Milk, fruits and vegetables will not be subjected to additional surcharge. Third class passengers have been asked to pay only marginally more than the present level of fares.

A point has been made by some Members that the distribution of the burden is inequitable. They have said that the third class ordinary passengers would contribute Rs. 16.48 crores to railway earnings whereas the upper class passengers will pay only Rs. 4.44 crores more.

I am afraid, the argument is illogical and the conclusion fallacious. I may point out that for proper appreciation, the yield from increase in fares should be related to the number of passengers. Last year, nearly 127 crore passengers travelled by third class while in air-conditioned class only 2½ lakh passengers travelled.

The central fact which should not be overlooked is that each air-conditioned traveller will now pay from Rs. 15 to Rs. 160 more for each journey while each third class passenger will have to pay 5 paise to one rupee more.

In the case of first class also the rise has been from Rs. 2 to 16 per ticket and about sixty-six lakh passengers travelled by first class last year and naturally the yield from them has been much lower than from the third class passengers.

Hon'ble Members would have observed that despite the proposed increases in fares, freight, transhipment charges, etc. Railway revenues would still fall short by Rs. 52.79 crores in the payment of dividend to General Revenues during 1974-75.

Some comparisons have been made about the performance of the Railways, especially the financial part of it, of the present day with that of the past. I too wish that it would have been a matter of peace and comfort if I too had been in the same happy position in which my predecessors were—Railway finances had surpluses, the country had accumulated sterling balances, there was complete peace on the industrial front, there were no emergencies like droughts and floods and movement of essential items.

But unfortunately, we are not in that position. We have weak finances, fall in earnings, really hard difficult position in the matter of foreign exchange, gross indiscipline among the workers.

This is the legacy that I have inherited. In this background, if the performance of the Railways is not upto the expectations, I would only plead with the Members that they should appreciate the real reason behind the present situation.

The Guiding Philosophy

The philosophy running through this year's Railway Budget is mainly two-fold—i) keep the burden on the common man at the minimal level; and ii) make the affluent sections pay more for luxury and upper class travel.

It has been decided to abolish the second class. With this decision, the third class will be reclassified as second class.

A.C. Class fare: In conformity with this approach, air-conditioned class used by the rich and affluent will cost enormously more. Fares have been hiked up by Rs. 15 to Rs. 160 each ticket. Stiff increases have, for example, been proposed for travelling by the two Rajdhani Expresses for the air-conditioned class. The existing fare of Rs. 379 from New Delhi to Howrah will be increased to Rs. 520, a rise of as much as Rs. 141.

Similarly, travel in the Rajdhani Express between New Delhi and Bombay Central will cost Rs. 116 more, from Rs. 349 to Rs. 465 per ticket.

First Class/A.C. Chair Car: For first class and A.C. chair car categories also, availed of again by comparatively well-to-do sections of our community, an increase ranging from a minimum of Rs. 2 to a maximum of Rs. 16 has been proposed.

Third Class fare: As against these steep increases proposed for the upper class travel, the increase in the case of the third class passenger is modest and has been kept down to the utmost extent possible. The rise in third class fare by ordinary trains has been kept at 5 paise rising to a maximum of Re. 1 per ticket, depending upon the distance travelled.

Even with this modest rise in third class fare, I have taken care to exempt the more vulnerable sections from the fare hike. For example, the season-ticket holders, comprising people of the fixed income group, mainly office and industrial workers and petty vendors, will not have to pay anything more.

Reservation fee: The same concern for the common man is reflected in changes proposed in reservation charges. For A.C. Class, the reservation charges have been increased five-fold, from Re. 1 to Rs. 5. For First Class, reservation charges have been doubled from Re. 1 to Rs. 2 and for the A.C. Chair Car from 50 Paise to Re. 1.

But there will be no increase in reservation charges in respect of the third class.

No Rise in Foodgrain freights: While proposing changes in freight rates also, I have kept in view the interests of the poorer sections of the community. Foodgrains have been specifically exempted from freight increase. The concessional freight on foodgrain movement entailing a loss of Rs. 47.49 crores to the Railways have been continued, in order to ensure that the family budget of the common man is not affected on this account.

Another area, where I have tried to take care of the common man is in respect of milk, vegetables and fruits, which have been totally exempted from additional supplementary charges.

Uniform Compensation : I have also made an attempt to do away with inequalities. This concerns accident compensation. Until recently, the amount payable as compensation in case of death or disablement of a passenger in rail accidents was related to the passenger's income. This has, now, been replaced by a system of uniform payment of compensation, without relating the compensation to the income of the affected passenger. Rich and poor will get the same compensation. The compensation payable from now on will relate to the type of injury suffered by the unfortunate passengers and not to their income level. The amount of compensation payable has also been increased from Rs. 20,000 to 50,000 in case of death or total disablement.

Budget Development Oriented

In a country like India, pursuing the goal of rapid economic development, the role of Railways is that of a catalyst. The faster we go in developing new lines, the greater will be the fillip to all-round advancement of the country, especially of the far-flung and backward regions.

Judged by this standard, this year's Railway Budget amply reflected a new deal for the backward regions of the country.

The Railway Budget for 1974-75, I submit, is a bold attempt to carry forward the socialist and development policies of the Government.

In the context of the supreme need to restore the health of the Railways, an earnest attempt has been made to pass on the burden to the affluent sections to the maximum extent. At the same time, utmost care has been taken to keep the levies on the common man to the bare minimum and even within this, specific exemptions have been provided for the poorer and more vulnerable sections of the community, as in the case of season-ticket holders and freight on foodgrains.

Coal Freight

There has been criticism of our proposal to increase the freight on coal. As the Hon'ble Members know coal is the most prominent commodity

that Railways carry. It occupies the first place both in terms of originating tonnage and tonne kilometre.

During 1972-73 it formed about 29.16% of the total originating tonnage but accounted for only 17.81% of the total earnings.

Coal is at present charged outside the scope of the general freight structure at a special scale which is below the actual cost of operation.

Railway's losses on transport of coal have been going up from year to year. The estimated loss would go up from Rs. 33.25 crores in 1973-74 to 37.67 crores in 1974-75. With the steep increase in the wage bill and the prices of other inputs, a stage has now been reached when it has become imperative to ensure that the loss sustained by the Railways on this stream of major traffic is neutralized.

In my Budget speech, I have explained that our weak railway finances can ill-afford a burden of this magnitude. I have, therefore, proposed to bring the freight rates for coal into the standard freight structure.

I might point out here that freight rates on coal have always lagged behind the increases given in the price of coal. The pit-head price of Grade I Bengal-Bihar coal, which was Rs. 21.7 per tonne in 1961-62 went up to Rs. 38.09 per tonne in 1973-74. Fruits of these increases have been enjoyed by the private sector till a year and a half ago when coal was taken over.

The increase in coal price has inflated the fuel bill which constitutes 20% of the working expenses of the Railways over the year. This has badly affected the cost of operation.

I may mention here that though coal is a vital raw material for industry, it constitutes only a small element in the overall cost of the ultimate produce.

The proposed adjustment in the coal freight rate will have, therefore, a very small impact on prices of end products.

For example, in respect of coal moving to thermal power stations, the effect will be only 3.74% on an average of the price of electric current. On cement prices its impact will be only 1.49%. Similarly, in respect of iron and steel, the effect on the prices of products like bolts, nuts, plates, etc., will be less than 1%.

Coal Loading

In spite of all difficulties coal loading this year has been 92.7% of the last year's loading. The daily average number of wagons loaded from different coalfields during the current financial year up to end of January 1974 was 7,450 wagons, as compared to 8,038 wagons in the previous year i.e., a shortfall of about 600 wagons only. Of this 600 wagons, 529 wagons are in Bengal and Bihar alone.

While, by and large, all demands have been met currently in the outlying fields, there has been a drop in the loading in the Bengal-Bihar fields to the extent of 529 wagons per day this year. In the first three summer months power-shedding seriously affected train movement in the Eastern Sector.

To get over the serious food shortage in different sectors in the country in June and July, the Railways had to concentrate on a record movement of foodgrains.

In August 1973, the Locomen's strike severely affected loading in the Bengal-Bihar coalfields. Thereafter, a spate of agitations, 'go-slow' by staff, public agitations, bundhs, etc., in the Eastern Sector slowed down the loading and movement operations. The locomen's strike again in December 1973 and the Carriage and Wagon staff and ASM's agitation at the end of January 1974 and February 1974 led to severe restraints on the ability of Railways for organizing higher levels of loading of coal and its movement.

During this period, the Railways used all available resources in maintaining supplies to Power Houses, essential industries and the steel plants. Actually, the Railways have moved 0.16 million tonnes more of coal to steel plants and washeries till January 1974, as compared to levels reached last year.

In the early part of February 1974, the Carriage and Wagon staff agitation, combined with heavy absenteeism of staff on South Eastern Railway, affected the smooth movement of coal to steel plants. In concerted action with the Ministry of Steel and Mines, the movement of coal to steel plants has since been improved. These efforts are continuing.

The movement of coal to power houses has been also very closely watched, particularly in the context that in the summer months, these power houses will be called upon to do higher generation of power due to availability from hydel sources being less during that period.

Hon'ble Members have spoken about cancellation of trains for want of coal and argued that if Railways cannot get coal for themselves, how can they give coal to others.

There is some want of proper understanding of the situation on this point.

Yes, Railways have cancelled their trains, but this has been done with a view to attend to the needs of essential services like power houses, movement of foodgrains and some priority industries. Goods trains have been cancelled rarely. It is the passenger trains that have been mainly cancelled and this too only with a view to give priority to the movement of essential commodities required for social needs. This state of affairs might have to be continued till the labour situation improves. I am not in a position to give any positive assurance on this question.

Allotment of Wagons

Points have been made about the procedure for allotment of wagons for coal and I would like to say a word about it to allay the misgivings of the Hon'ble Members.

The distribution of coal to different consumers is based on a programme sponsored by the different Ministries of the Central Government, State Governments and other authorized agencies. The Railways allot wagons in accordance with these programmes. For instance, Coal Controller programmes for the movement of coal and hard coke to different steel plants.

The Linkage Committee consisting of representatives of the Ministries of Mines, Railways, Irrigation and Power and Industrial Development, make out programmes for movement of coal from different coalfields to power houses and industries. Movement of steam coal to industries and of soft coke etc., are sponsored by the State Governments and other bodies authorized for issuing such sanctions. The actual daily allotment of wagons for movement of coal against these approved programmes is done by the Joint Director, Coal, in the case of Bengal-Bihar coalfields and by other sub-allotment offices in respect of outlying fields.

Day-to-day supply of wagons is done by the Zonal Railway according to these approved programmes.

Some allegations have been made against the wagon alloting officers in Calcutta. I must assure the House that this matter would be gone into carefully.

In the meantime, I have decided to post one additional senior officer in Calcutta. His only job would be to look after the allotment and movement of coal wagons. He will be overall incharge of this aspect of the problem.

Development of Backward Areas

I would like to dilate on the new policy regarding construction of railway lines in backward areas. Railway lines provide the essential infrastructure for the development of an area. It is one of the objectives of the Fifth Five Year Plan to bring about development in areas which have remained neglected and to reduce regional disparities.

It is in this context that the Ministry of Railways have been considering construction of new railway lines for which there has been a persisting demand from various State Governments and other public bodies.

These lines are not remunerative to start with on account of the low traffic potential of backward areas. In order to bring down the financial burden on the Railways, participation of the State Governments has been

sought in the capital investment of these railway lines by way of free contribution of land and labour component of the work.

We have also approached the Convention Committee with the request that the lines in backward areas may be exempted from dividend liability and the matter is under their consideration.

In pursuance of my policy for construction of railway lines in backward areas, I have included the construction of a number of new lines, restoration of abandoned lines and gauge conversions in the Budget for 1974-75. Some of these lines will serve the most backward areas in the country many of which are inhabited by adivasis and have remained neglected for centuries.

Besides these new lines and gauge conversions, there are others for which a number of surveys throughout the country are either in progress or have been proposed. While taking up the construction of these lines, I have minimized the financial burden on the Railways by working to austerity standards, at minimum possible costs, with participation of the beneficiary State Government having to make available land and labour for the project, free of cost.

The Convention Committee of the Parliament is also requested to waive the dividend liability on the capital outlay on these lines.

Efficient mass transportation is essential for the national integration of a vast country, and there is no better way to reach the people living in far-flung areas and bringing them in the mainstream of the life of the country than by extending the railway network in those areas. I will, therefore, endeavour to bring in the benefits of railway transportation to each and every part of the country in as short a time as possible. I will make a determined effort for it.

The total allotment in the Fifth Five Year Plan for the construction of new railway lines is only Rs. 100 crores out of the total plan investment of Rs. 2350 crores, excluding Metropolitan Transport Projects. Most of this amount will be required for completing projects already in progress and those connected with the core sector of the economy. Hence we have requested the Planning Commission for an additional allotment of about Rs. 255 crores.

The total outlay on new lines will be only a small fraction of the available plan outlay. Thus restoration of dismantled lines or the construction of short-length new lines in underdeveloped areas will not erode the fund resources required to build up the transport capacity in the Fifth Plan. The outlay of new lines may be compared with the Plan provision of Rs. 1774 crores for construction of road.

At the moment, the total outlay proposed for construction of new railway lines and restorations in 1973-74 is Rs. 14.68 crores, out of which one crore rupees is for construction and restoration of unremunerative lines in backward areas taken up under the new policy.

In 1974-75, the proposed outlay for new lines and restorations is about Rs. 12 crores out of which under two crores rupees is earmarked for construction and restoration of railway lines in backward areas taken up under the new policy.

The Hon'ble Members will appreciate that these outlays are insignificant in comparision with the total outlay of Rs. 318 crores in 1973-74 and Rs. 350 crores in 1974-75 for the entire Railway Plan.

The small investment of new lines will, therefore, not come in the way of the progress of projects connected with the transport needs of the core sector of the economy.

I may also bring to the notice of the House that the total capital-at-charge of the Railways is Rs. 3886 crores of which the unremunerative branch lines account for only Rs. 75 crores.

The Convention Committee, pending further examination by them in depth, have already agreed to waive the dividend on the outlay on unremunerative branch lines.

The outlay on unremunerative branch lines will, therefore, not become a burden on the Railways if the Convention Committee agrees to provide the Railways continuous relief from dividend liability on the capital investment.

I have already stated in my Budget speech that subject to availability of funds it is intended to restore the lines which were dismantled during the Second World War or on account of floods in the past.

Restoration of these lines is justified fully and they are on the same footing as other uneconomic branch lines which are being maintained as they are considered to be an essential facility in spite of their unremunerative character.

It is with regret that I have to mention one point. Some Hon'ble Members in course of their speeches here said that Bihar and U.P. have got favoured treatment at my hands in the matter of construction and restoration of new lines. This is unfair and not based on facts. For the information of the House I would like to give state-wise figures of the cost of works in progress and those included in 1974-75 Budget.

Development of the North Eastern Region

Last but not the least is the long neglected problem of development of North Eastern Region—Tripura, Manipur, Nagaland, Meghalaya, Assam

State	Area in thousand sq. kms	Population (1971)	Total estimated cost
North Eastern Region	172	1 crore 91 lakhs	Rs. 33 crores
West Bengal	88	4 crores 43 lakhs	Rs. 22 crores 70 lakhs
Bihar	174	5 crores 63 lakhs	Rs. 28 crores 50 lakhs
Uttar Pradesh	294	8 crores 83 lakhs	Rs. 52 crores 20 lakhs
Haryana	44	1 crore	Rs. 7 crores 81 lakhs
Jammu & Kashmir	222	46 lakhs	Rs. 14 crores 2 lakhs
Rajasthan	342	2 crores 57 lakhs	Rs. 2 crores 79 lakhs
Gujarat	187	2 crores 66 lakhs	Rs. 45 crores 78 lakhs
Madhya Pradesh	444	4 crores 16 lakhs	Rs. 10 crores 15 lakhs
Orissa	156	2 crores 19 lakhs	Rs. 49 crores 99 lakhs
Maharashtra	308	5 crores 4 lakhs	Rs. 35 crores 30 lakhs
Andhra Pradesh	277	4 crores 35 lakhs	Rs. 33 crores 80 lakhs
Mysore	192	2 crores 92 lakhs	Rs. 44 crores 62 lakhs
Kerala	39	2 crores 13 lakhs	Rs. 15 crores 60 lakhs
Tamil Nadu	130	4 crores 11 lakhs	Rs. 12 crores 54 lakhs
			Rs. 406 crores

Note : (1) Total outlay in 1973-74 for new lines in backward areas taken up under the new policy. Rs. 1 crore, 9 lakhs

(2) —do— —do— 1974-75 Rs. 1 crore, 88 lakhs

and Arunachal Pradesh and Mizoram. There is crying need for opening these areas and construction of new railway lines in this region. Something really pioneering has got to be done to do justice to these people.

This matter has been discussed at various levels and it is my considered view that unless a special machinery like Transport and Communication Authority, is set up specifically for this purpose it will not be easy to develop this area. All these States of the North Eastern region and the Ministries of Railways, Transport and Communications can be associated with this body. This body must have special funds ear-marked for them. At the present moment it seems to be the only way for speedy development of this region. I have already taken up this issue with the Ministries of Planning, Finance, Transport and Communications. I have no doubt in my mind that something real and tangible would be done. Our Prime Minister is very keen that we move expeditiously to open up this region.

The Railway Board

I find from the speeches made by some Members that they are not happy with the Railway Board.

I hold no brief for the Railway Board. I would be the first person to find fault with an inefficient and incompetent organization, but at the same time Hon'ble Members will agree with me that no public purpose is served if criticism or attack is based on prejudice and lack of adequate appreciation of the factual position. I would like to repeat, what I have said earlier, that I am not riding a tiger. I am fully satisfied that the Railway Board carries out efficiently and faithfully the policies that I have laid down.

Apparently, there is some misgiving about the set-up and functions of the Railway Board.

The apex body is both the executive headquarters and the Ministry's Secretariat. The Railway Board and the Ministry of Railways are not two separate entities. In this regard it is no different from the Secretariat set up in other Ministries of the Government.

When some Hon'ble Members criticise its functions and ask for its abolition, they have in no way suggested a constructive alternative. I fail to understand how they expect a Government Ministry to function without a Secretariat set up.

On the other hand, whenever a special study of Railway Board's working has been made by such objective and august bodies like the Kunzru Committee and Administrative Reforms Commission, the ultimate recommendation has been in favour of not only continuing the Railway Board but also the extending of its pattern to other organizations and departments. The Hon'ble Members are well aware that P & T Board has been restructured on the model of the Railway Board. The constitution of the Steel Authority and the Mining Authority have also been inspired by the Railway Board.

This is not to say that there is no scope for greater efficiency. I assure the House that any constructive suggestions for its improved working will be welcomed. As a matter of fact I am myself thinking of going into its working and organization in a little greater detail and I will leave nothing to chance. Whatever changes and reforms are required would be made without any reservation.

In the meanwhile, I must say that the Railway Board has been of great assistance to me and it has never come in my way, whenever I have decided to make any change in policy or introduce new ideas. It has been extremely cooperative and helpful. "There is no use quarelling with your own tools."

Vending Contracts

Some Hon'ble Members have chosen to speak at considerable length about the decision to review the contracts at various railway stations who have completed two terms at the same railway station. At the outset, I would like to state that this decision was not taken today. It was taken during the time of one of my predecessos, Shri S. K. Patil, but due to pressures built up by the vested interests this decision could not be implemented. Now the same pressure is being exercised on the Railway Administration. I make it clear that this decision has been taken in the interest of the travelling people with a view to improve the catering services of food and other articles to the passengers. I have no intention of throwing out or driving out any person unless his performance is not upto the mark. Those people who have completed two terms are not deprived from getting the contract. The only thing is that it is open to review and consideration. I would seek the cooperation and support of the House in this matter. The pressure groups that are being built up should get no quarter. Hon'ble Members might not be knowing that even in this small business of catering and vending some kind of serious vested interests have grown on monopoly basis and there are people who have got Benami contracts for stations and this has to be looked into and we cannot be silent spectators to the exploitation of the passengers by vested interests.

Railway Protection Force

The question of R.P.F. has been raised by some Hon'ble Members more particularly by some senior Members of the House and I would not like to ignore the points made by them. In Indian Railways, we have by now given the R.P.F. Personnel a solid foundation. This has been created for protecting railway property and I must say that they have done a good job. From the figures for important centres like Mughalsarai, Garhara, Manduadih, it would be seen that pilferage is going down. For example at Mughalsarai and adjoining areas the value of consignments stolen came down to Rs. 35,750 in 1973 from a figure of Rs 2,11,270 in 1971.

This is my firm decision that I am not only going to continue this force but I am going to increase their number also. I am going to give them more emoluments and bring them on the lines of the C.R.P. and they will be the pride of the Indian Railways. I convey my good wishes and appreciation to the Railway Protection Force.

Extra-Curricular Activities

Some Hon'ble Members—one or two from my own State—referred to my so-called "extra-curricular activities." I do not know what is exactly meant

but if the suggestion implied is that the problems of the Railway Ministry are not getting full attention from me, then, in all humility, I must strongly refute this insinuation. Anyone who knows me or anyone who has had occasion to step into Rail Bhavan in recent months, I am sure would admit that I have been making earnest and sincere efforts to sort out the problems of the Railways and giving all possible attention to solving them. In this task, I have not spared myself any effort, whatever be the long hours called for to ensure that my work in the Railway Ministry does not suffer or lag behind.

But I must frankly admit that I am in politics and, as a politician, have been endeavouring to serve the country, my Party and my State in my own humble way. It is quite possible — and I am aware of it—that sometimes the designs and intentions of some of my friends get frustrated because of my actions. I can assure these friends that I have no intention of running away from my political responsibilities, whether concerning my State or in the larger national canvas. At the same time, I can assure the Hon'ble Members that I shall continue to discharge, to the best of my abilities, my work as a Central Minister. Whether at the Foreign Trade Ministry or the Defence Production or other Ministries where I have been privileged to work, I have sought to give my best attention to tackle the problems. I can only assure the Hon'ble House that this will continue to be so in the future as well.

Performance of Zonal Railways

Hon'ble Members wanted to know about the performance of the Zonal Railways. I would like to mention a few important features of it.

It was anticipated that originating revenue earning traffic in 1973-74 would be 10 million tonnes higher than in 1972-73. This anticipation has not, however, materialized; in fact the physical performance has turned out to be the lowest since 1963-64. To end of January 1974, originating revenue earning traffic registered a fall of 9.02 million tonnes as compared to last year, and a shortfall of 17.29 million tonnes against the traffic targetted to be carried. This shortfall against anticipations has occurred in practically all categories of traffic such as coal, raw materials and finished products from steel plants, iron ore export, cement, fertilizers, petroleum, oils and lubricants and other general goods and affected all the Railways. The Railways most affected are (1) South Eastern (shortfall 5.88 million tonnes), (2) Eastern (3.91 million tonnes), (3) Northern (2.44 million tonnes), (4) Western (1.52 million tonnes) and (5) North Eastern (1.01 million tonnes).

Financial Earnings

In consequence, gross earnings have suffered and at the end of December 1973, were short of budgetary anticipations by Rs. 8.15 crores. In January, the decline had not been abated. The total drop in gross earnings against Budget anticipations to end of January 1974 was Rs. 90.87 crores. I found it necessary to scale down the earning figures for the year in the Revised Estimates by Rs. 93.20 crores approximately. The shortfall occurred in all the Railways, except the Central Railway.

The Railways losing most heavily are : 1) Northern (Rs. 23.52 crores), 2) South Eastern (Rs. 17.60 crores), 3) Eastern (Rs. 11.84 crores), 4) Western (Rs. 10.79 crores) and 5) South Central (Rs. 8.20 crores).

In passenger traffic, excepting Central Railway, all the Railways have been losing.

Punctuality

The overall punctuality performance of Mail/Express trains on Indian Railways has been 71.3% under broad gauge and 72.8% under metre gauge on the average in the current financial year upto December 1973.

These are, no doubt, the lowest figures recorded in the last few years. Here too 1) Eastern (53.2), 2) South Eastern (57.4), 3) Western (61.9) and 4) Northern (74.2) are badly affected. The performance of the North Eastern and Northeast Frontier Railways has been unsatisfactory.

Appeal to Railwaymen

Since the last few weeks, as Hon'ble Members are aware, we have been again hearing about strike threats in the Railways from any day after April 10.

The call for a strike programme in April 1974 has been announced after a Convention in Madras in February by a group of employees and outsiders. I must say that it is totally ill-conceived. Even worse is the endorsement of this programme by the All India Railwaymen's Federation at a convention held by them with the Categorical Associations and other trade union organizations in Delhi again in February. It is a matter of great surprise to me that eminent trade union leaders too had attended this conference and blessed this kind of destructive move.

It is quite clear that those who speak this kind of language, not only want to stir up trouble but to paralyze a vital transport system of the country. It is no service to the trade union movement also.

I am constrained to say that all that they are really working for is only chaos and anarchy in the country which in the end will paralyze the

national economy and bring hardship to the common man. A loss of one rupee to Railway means a loss of Rs. 10 to the national economy. Total loss due to the strike to the Railways in the current year has already been of about Rs. 80 crores.

I must confess that I am really pained to hear of the development. Ever since I took charge of this Ministry, it has been my constant and sincere endeavour to understand the problems of the railwaymen and find solutions speedily and to the utmost extent possible. The Pay Commission's recommendations have already been accepted and the railway workers have started getting concerned benefits.

If anything more has to be done—I would like to assure the railwaymen through this august House—these can be discussed and thrashed out. My mind is not closed on any reasonable issue and I would be the last man to do this.

Our people in the country today are in difficulties because of the rise in prices and short supply of essential commodities. Any strike in the Railways at this stage would only further aggravate the difficult situation on the price front and accentuate the difficulties of the masses in this country. Strike in the present situation is a luxury which the country just cannot afford.

In this connection, I have already stated that I am in favour of applying the "one industry, one union" principle in the Railways. As I have said in my Budget speech, I had convened in February this year a Conference of Trade Union leaders to discuss the feasibility of introducing this reform in Railways. By and large, there was consensus in favour of this step at this Conference.

I am aware that this can be brought about only with the cooperation of the workers. In suggesting the new set up, I would like to state clearly that I am in favour of a secret ballot to test the representative character of the existing unions.

Before long, I hope to be able to give a concrete shape to the scheme of one union in the Railways and take the necessary steps towards its realization.

From the forum of this august House I would like to make a fervent appeal to my railwaymen and their leaders to give a second thought and reconsider their decision.

They should pause and ponder as to where the genuine interest of the workers, the trade union movement and the country at large lies.

More specifically, I would like to appeal to the workers and their leaders not to resort to strikes or any agitation for a minimum period of the next three years. With such an assurance of peace on the labour front, I

am confident that all outstanding problems can be approached and tackled in a constructive spirit and with expedition.

A new Service Commission is being opened at Secunderabad in keeping with the policy of one Service Commission per Railway. I also propose to open a sub-office of the Calcutta Commission at Kemda and two sub-offices of the Bombay Commission, one at Ahmedabad and the other at Jabalpur, on the same pattern as the sub-office opened at Ranchi.

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